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UNITED STATES COORDINATOR
ALLIANCE FOR PROGRESS

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

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JUL 12 1962

MEMORANDUM FOR: Mr. McGeorge Bundy
Special Assistant to the President
The White House

SUBJECT: Aid Program in Jamaica

In response to the President's request for information concerning our aid program in Jamaica, I submit the following:

1. The U. S. program, initiated in 1955, has been largely limited to technical cooperation in the fields of agriculture, health and education, and the average annual U. S. contribution approximated \$300,000 through 1961.

The FY 1962 program included \$2.2 million for a water supply loan, \$2.2 million for a low cost housing loan, and \$1.0 million grant for the continuation of technical assistance in agriculture, education and industrial development.

2. The FY 1963 Congressional presentation contains \$1.0 million for grants to Jamaica to cover the continuing costs of the general technical co-operation effort.
3. The first indication of GOJ's desire for a loan for Kingston port development arose with the recent visit of the Jamaican Premier and his delegation, and was mentioned by Minister Lightbourne in the meeting with Mr. Hamilton on June 26. Minister Lightbourne gave the port a higher priority than was accorded by the other members of the group. No loan application has been submitted by the GOJ. I presented Mr. Lightbourne with a brochure on port development in Puerto Rico, hoping that this would be helpful in analyzing his problem. I mentioned on one occasion the possibility of the creation of a port authority as well as financing by floating bonds in the open market. I also informed

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Mr. Lightbourne that I was willing to have my engineers examine his port plan made some years ago.

We stressed that A.I.D. resources were limited and that Jamaica would of necessity have to approach other lending sources for development needs, explaining that A.I.D. was the bank of last resort. When the question was raised as to whether the U. S. could provide general financing for the new development plan, still in preliminary form, I urged that Jamaica, desiring to join the O.A.S., while here meet with the O.A.S. and present a copy of their plan for informal examination by the Nine Wise Men. As a result, the financial members of the delegation met with Dr. Saxe and left their plan for informal examination.

The Delegation was informed that the water supply loan had received full consideration and was about to be approved, with the documentation of the housing loan to be completed within the next several weeks.

I informed the visitors that they were in many ways much further advanced from the standpoint of planning, as well as economic progress, than many of the Latin American countries and that with their relative prosperity it seemed likely that their potential for borrowing from international agencies and other sources was greater than many Latin American countries now competing for A.I.D. assistance.

Teodoro Moscoso

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